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Attachment:

Significance of Shift to Small-scale Projects for the Economic Development
of Communist China's Machinery Industry

- I.* Analysis of new Chinese Communist policy as a means of supplementing industrial production.
 - A. Appearance of bottlenecks in type of development which resulted from copying the U.S.S.R.
 - B. Alleged advantages of small-scale production with special reference to the commune movement.
- II. Chinese experience before 1949 in use of small-scale plants and traditional (labor-intensive) methods in machinery manufacture.
- III.  25X6
- IV. Limiting factors affecting Chinese Communist capabilities to take advantage of small-scale methods.
 - a. Availability of material
 - b. Technology
 - c. Labor skills
 - d. Organizational control
- V. Assessment.

* Brief introduction only.

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